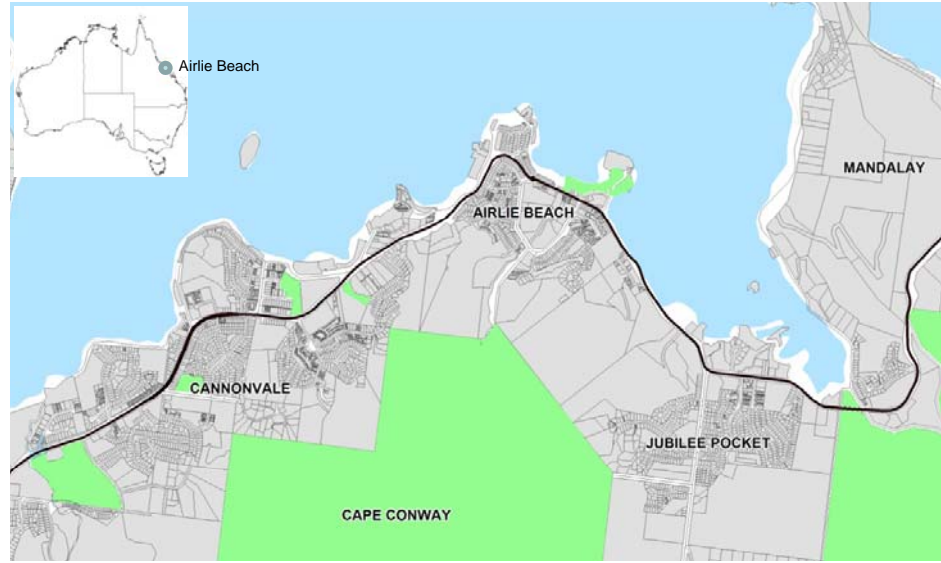


Whitsunday's Snapshot

August/September 2008



The Whitsunday region was once known as simply one of Australia's most popular tourism destinations. However, today the region is home to a growing number of permanent residents who are attracted to the region for its lifestyle and climate.

The broader Whitsunday region is bordered by Bowen to the north and Mackay to the South. The coastal townships of Cannonvale, Airlie Beach and Jubilee Pocket, together with the Whitsunday Islands, are the primary pillar of the Whitsunday economy. 1.2 million tourists visit the region each year, placing the Whitsunday region within the top twenty tourist locations in the country.

Access The region is serviced by three airports: The Proserpine Airport, Hamilton Island airport and the Mackay Airport, not to mention the Whitsunday Airport which handles light aircraft. All three airports are serviced by regular direct flights from all Australian capital cities. Airlie Beach is also serviced by major bus lines and the Queensland Rail 'Tilt Train' service with a station in Proserpine. By road, Airlie Beach is just 20km off the Bruce Highway which runs between Brisbane and Cairns. The drive from Cairns is about 7.5 hours and from Brisbane about 13 hours.

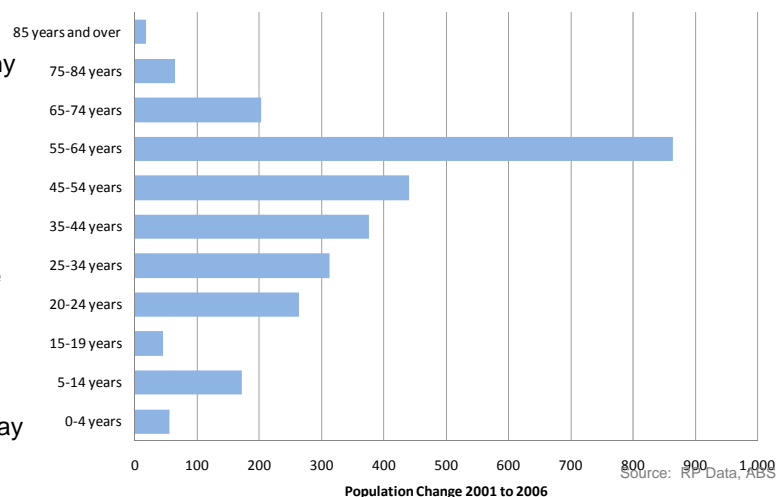
Climate Average max: 27 deg C. Min: 21 deg C.

Tourism The region is best known for his tourism industry. At the end of March 2008 the Whitsunday's region has the highest average room rate of any Queensland Tourism region, this result suggests that the area is attracting a more affluent traveller. Over the same period, the Whitsunday's had a room occupancy rate of 60.3%. The Whitsunday's also had the greatest number of visitors coming to the area for holidays of all Queensland tourism regions (70%) and the region had the greatest percentage of people visiting from interstate of any region outside of South-East Queensland (42%), highlighting the fact that the region holds significant appeal to tourists from all around Australia.

Demographic shifts The population of the Whitsundays has been increasing at a rate well above the state average, which is creating a strong demand for accommodation and housing. During the 05/06 financial year the residential population of the Whitsunday region increased by 3.6% - one of the highest rates of population growth for any Local Government Area in Queensland. The estimated residential population of the region is now just over 18,000. Queensland government projections suggest the Whitsunday population is likely to reach 25,000 residents by the year 2021.

According to the 2006 Census, the largest increase in population has come from 55 to 64 year olds, with this cohort increasing by 864 people between 2001 and 2006. The second largest gain in population was in the 45 to 54 years age group, indicating the Whitsunday area is very attractive to this mature aged demographic. Based on this information and local observations, many of the new residents to the Whitsunday's could be described as 'Sea Changers' who are choosing to live or holiday in the Whitsundays area for the lifestyle benefits the area provides.

Demographic change
Change in population, 2001 to 2006



Property prices climbing and land supply falling The property market within the Whitsunday region has performed exceptionally well. All three market segments: detached houses, vacant land and units, have recorded growth in median prices of at least 13% per annum. The standout market has been vacant land, where the median price for a block of land in the region has increased by 20.0% per annum over the last five years. In recent times the market has softened slightly, as it has in most areas of Australia, however the shortening land supply and high desirability of the region means that now is the perfect time for purchaser's to position themselves within the Whitsunday's market.

The market in the Whitsunday's is largely being driven by the sea change market: baby boomers and empty nesters looking for a lifestyle upgrade. Coupled with this strong demand is an absolutely finite level of supply. The large proportion of the Whitsunday Shire is either designated national park or agricultural land. When viewed in light of the strong population projections planned for the area, the short supply of land in the region is likely to result in ongoing price prices as demand outweighs supply.

This report has been prepared exclusively for Ray White Whitsunday by RP Data Ltd.

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House market

House prices in the region have provided outstanding returns to their owners. The median house value within the Whitsunday region has risen from just \$215,000 five years ago to \$450,000 at the end of June 2008. This rate of growth equates to an annual improvement in house values of 15.9% or almost \$50,000 each year.

The most active suburb for house sales during 2008 has been Cannonvale, where 27 houses have been sold during the year to date, achieving a median price of \$485,000

Land market

Price growth for vacant land within the Whitsunday region has been very impressive. Over the last five years the annual growth rate for land prices has been 20.0% per annum equating to an annual increase in land prices of \$25,100 per annum. The median block of land in the region now has a price tag of \$210,000. The adjacent graph highlights median land price movements across the Whitsunday's Region on a quarterly basis, between March 1990 and June 2008. The graph highlights the fact that whilst the market witnesses peaks and troughs, the overall trend is towards increasing land prices.

The reason for the trend toward increases in land prices is overwhelmingly due to the fact that the region has a constrained supply of land. Land prices peaked during the March 2008 quarter at \$215,000 and have since softened slightly. The softening of the land market coupled with the slow nature of the property market nationwide provides significant opportunity for buyers to negotiate a good price and to position themselves for the "inevitable" future price growth.

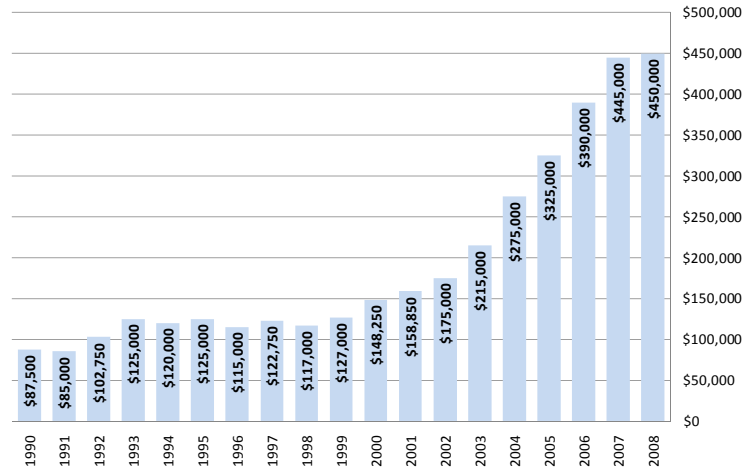
Airlie Beach has historically recorded the highest land prices due to the areas elevated hillside allotments and the proximity of the water and social amenity the suburb offers, however other regions of the Whitsunday's are also now recording land prices well above \$500,000. Elevated allotments within the Botanica Estate in Cannonvale, for example, are achieving sale prices to rival Airlie Beach. The stunning views over Pioneer Bay to the islands command a significant premium and this caliber of land is very limited in supply. The tightening land supply within the market is evident in the fact that not one vacant block of land has sold within Airlie Beach during 2008.

Unit market

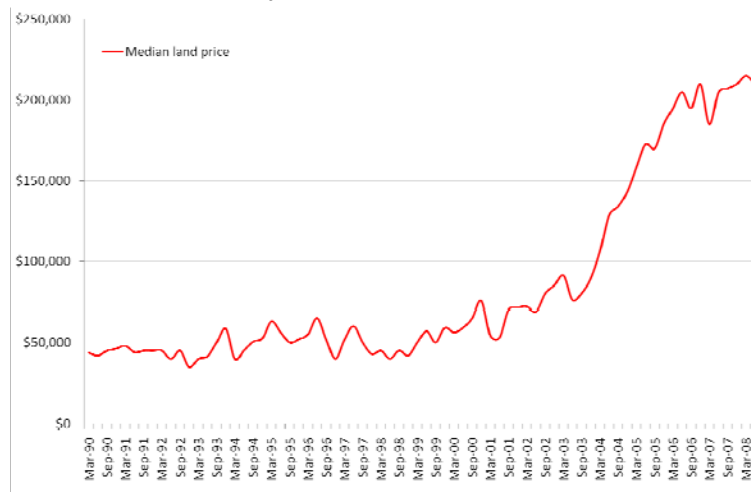
The median unit price in the Whitsunday region has risen from \$198,000 back in 2002 to \$370,000 during 2008 – an annual change of 13.3%. Unit developments are becoming very popular amongst both owner occupiers and investors. Owner occupiers are generally purchasing based on lifestyle reasons, while the investment market is largely divided between Cannonvale and Airlie Beach. Gross rental yields at Cannonvale are very attractive to investors, averaging 5.9% per annum. Rental returns are lower at Airlie Beach, but still impressive at 5.5% however most buyers investing in this area are primarily motivated by the strong capital growth and holiday home potential of these dwellings.

The largest unit markets in the region are located at Cannonvale and Airlie Beach. Over the 2008 calendar year to date 41 units were sold at Cannonvale for a median sale price of \$330,000. At Airlie Beach, 18 units have sold with a median sale price of \$435,000.

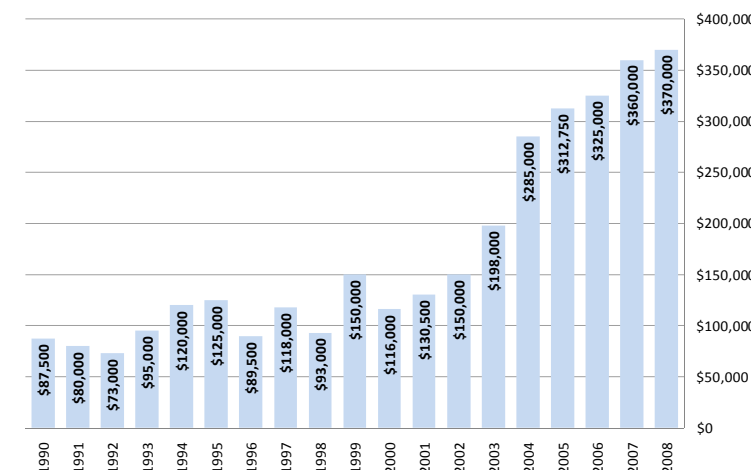
Median house price – Whitsunday Region
1990 to 2008 calendar year



Median land price – Whitsunday Region
1990 to 2008 calendar year



Median unit price – Whitsunday Region
1990 to 2008 calendar year



For further information on the Whitsunday marketplace,
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